

Message Text

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ACTION ARA-10

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TO SECSTATE WASHDC 540
INFO AMEMBASSY BRIDGETOWN
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AMEMBASSY PARAMARIBO

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SUBJECT: WILLIAMS SAYS TRINIDAD WILL NOT RETALIATE AGAINST
CARICOM PARTNERS

REF: GEORGETOWN 46, KINGSTON 327 (NOTAL), PORT OF SPAIN 142

SUMMARY. PRIME MINISTER WILLIAMS HAS PLEDGED THAT TRINIDAD
WILL NOT RETALIATE AGAINST THE TRADE RESTRICTIONS WHICH
JAMAICA AND GUYANA HAVE IMPOSED TO PROTECT THEIR FALTERING
ECONOMIES. HE HAS REMINDED HIS CARICOM COLLEAGUES, HOWEVER,
OF TRINIDAD'S ECONOMIC STRENGTH AND ITS PAST FINANCIAL
SUPPORT. DR. WILLIAMS MADE THESE STATEMENTS AT A PARTY CON-
VENTION IN RESPONSE TO GROWING PRESSURE FROM COMMERICAL AND
MANUFACTURING ORGANIZATIONS IN TRINIDAD FOR THE GOTT TO TAKE
ACTION TO PREVENT A REDUCTION IN THE CARICOM MARKET FOR
TRINIDAD GOODS. END SUMMARY.

1. PRIME MINISTER ERIC WILLIAMS TOLD A SPECIAL CON-
VENTION OF THE PEOPLE'S NATIONAL MOVEMENT (PNM) ON APRIL
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3 THAT TRINIDAD AND TOBAGO WOULD NOT RETALIATE AGAINST
OTHER MEMBERS OF CARICOM WHO DISCRIMINATE AGAINST EXPORTS
FROM TRINIDAD. DR. WILLIAMS SAID THAT, DESPITE ACTIONS
TAKEN BY OTHER MEMBERS (JAMAICA AND GUYANA) TO RESTRICT
ALL IMPORTS, INCLUDING THOSE FROM TRINIDAD, "WE WILL NOT
RETALIATE. IT TAKES TWO TO MAKE A QUARREL." HE DID,
HOWEVER, REMIND HIS CARICOM COLLEAGUES THAT THEY WERE

TAKING UNILATERAL DECISIONS TO ABROGATE PROVISIONS OF THE CARICOM TREATY TO THE DISADVANTAGE OF TRINIDAD WHICH IS THE ONLY REAL ECONOMIC POWER IN THE COMMUNITY AND WHICH HAS PROVIDED EXTENSIVE ECONOMIC ASSISTANCE TO OTHER MEMBERS.

2. ACCORDING TO PRESS ACCOUNTS OF THE EXTEMPORANEOUS SPEECH, WHICH WAS THE FEATURE ADDRESS AT THE PNM'S CONVENTION TO KICK OFF THE CAMPAIGN FOR LOCAL GOVERNMENT ELECTIONS TO BE HELD ON APRIL 25, DR. WILLIAMS STATED THAT TRINIDAD LOANS TO JAMAICA PROVIDED 11 PERCENT OF THAT COUNTRY'S EXTERNAL ASSETS. HE FURTHER PREDICTED THAT OTHER COUNTRIES IN THE AREA WOULD GET INTO EVEN GREATER ECONOMIC DIFFICULTIES IN THE FUTURE. IN ORDER FOR TRINIDAD TO BE ABLE TO GIVE ASSISTANCE TO THESE COUNTRIES WHEN THE TIME CAME, HE SAID, IT MUST PROTECT ITS OWN FINANCIAL INTEGRITY. TRINIDAD MUST BE STRONG ENOUGH TO AVOID BEING DRAGGED DOWN BY THE "DROWNING MEN" IT WOULD ATTEMPT TO RESCUE. HE WARNED THAT ASSISTANCE FROM TRINIDAD WOULD NOT BY ITSELF PULL OTHER COUNTRIES OUT OF THEIR PROBLEMS, HOWEVER.

3. DR. WILLIAMS ALSO REMINDED HIS AUDIENCE OF THE GOTT'S LONG STRUGGLE TO EXPAND BWIA'S ROLE AS THE REGIONAL AIR CARRIER. HE NOTED THAT LIAT HAD LOST US \$4.5 MILLION DURING ITS OPERATION IN 1975 AND 1976. THE GOTT BY ITSELF, ON THE OTHER HAND, KEPT BWIA AHEAD IN THE REGION, DESPITE COMPETITION FROM AIR JAMAICA AND OTHER AIRLINES AND WILL CONTINUE TO DO SO WITHOUT OUTSIDE UNCLASSIFIED

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HELP, ACCORDING TO DR. WILLIAMS.

4. DR. WILLIAMS' COMMENTS FOLLOWED THE RECENT IMPOSITION OF RESTRICTIONS ON IMPORTS, INCLUDING THOSE FROM OTHER CARICOM COUNTRIES, BY JAMAICA AND GUYANA. THE PRIME MINISTER WAS RESPONDING DIRECTLY TO PROTESTS FROM THE BUSINESS AND MANUFACTURING COMMUNITIES OF TRINIDAD AND TO THEIR DEMANDS THAT THE GOTT TAKE SOME ACTION. THE T&T CHAMBER OF INDUSTRY AND COMMERCE, THE TRINIDAD MANUFACTURERS' ASSOCIATION, AND THE GARMENT MANUFACTURERS' ASSOCIATION, AS WELL AS SOME EDITORIAL WRITERS IN THE TRINIDAD PRESS, HAVE BEEN SHARPLY CRITICAL OF THE TRADE RESTRICTIONS IMPOSED BY JAMAICA AND GUYANA AS WELL AS THE IDEOLOGICAL DIRECTION TAKEN BY THE SOCIALIST GOVERNMENTS OF THE TWO COUNTRIES.

5. TWO REPRESENTATIVES FROM TRINIDAD WERE DISPATCHED TO VISIT JAMAICA AND GUYANA IN MARCH AS PART OF A CARIBBEAN ASSOCIATION OF INDUSTRY AND COMMERCE MISSION

TO ATTEMPT TO EASE THE RESTRICTIONS ON IMPORTS FROM CARICOM. THERE HAS SO FAR BEEN LITTLE VISIBLE RESPONSE TO THESE EXPRESSIONS OF CONCERN FROM TRINIDAD, HOWEVER, BEYOND AN INCONCLUSIVE PRESS CONFERENCE HELD BY THE JAMAICAN HIGH COMMISSIONER IN PORT OF SPAIN LAST MONTH AND THE REPORTED CALL BY PRIME MINISTER BURNHAM OF GUYANA SEVERAL DAYS AGO FOR A CARICOM SUMMIT TO DISCUSS CURRENT ECONOMIC DIFFICULTIES.

6. COMMENT: JAMAICA AND GUYANA FORM A SMALL BUT SIGNIFICANT PORTION OF TRINIDAD'S EXPORT MARKET. IN 1976 JAMAICA PROVIDED 2.4 PERCENT OF TRINIDAD'S NON-OIL IMPORTS AND BOUGHT 7.2 PERCENT OF ITS NON-OIL EXPORTS PLUS US\$ 4.8 MILLION IN PETROLEUM PRODUCTS. THE OVERALL BALANCE OF TRADE BETWEEN THE TWO COUNTRIES WAS ABOUT EVEN. GUYANA IN 1976 EXPORTED SLIGHTLY LESS (2.1 PERCENT OF TRINIDAD'S NON-OIL IMPORTS) BUT BOUGHT MORE (7.5 PERCENT UNCLASSIFIED

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OF NON-OIL EXPORTS PLUS NEARLY US\$ 30 MILLION OF PETROLEUM PRODUCTS), WITH AN OVERALL BALANCE OF TRADE IN TRINIDAD'S FAVOR. CONSIDERING THE US\$ 122 MILLION IN LOANS AND BUDGETARY SUPPORT WHICH TRINIDAD HAS PROVIDED TO JAMAICA AND GUYANA OVER THE PAST FOUR YEARS, AND THE RELATIVE STAGNATION OF THE NON-OIL BUSINESS SECTOR OF THE TRINIDAD ECONOMY IN RECENT TIMES, THE ECONOMIC AND EMOTIONAL BASES FOR TRINIDAD CONCERNS ARE APPARENT. IT SEEMS, HOWEVER, THAT DR. WILLIAMS HAS DECIDED TO GO OUT OF HIS WAY TO AVOID LECTURING OR PRESSURING HIS LESS FORTUNATE CARICOM PARTNERS. RICH

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